

FORM
2
Rev
12/05

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109



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| DE | ET | OE | ES |
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Document Number:
2285269

APPLICATION FOR PERMIT TO:

1. Drill, Deepen, Re-enter, **Recomplete and Operate**

2. TYPE OF WELL

OIL GAS COALBED OTHER _____
SINGLE ZONE MULTIPLE COMMINGLE

Refiling
Sidetrack

PluggingBond SuretyID
20050122

3. Name of Operator: HILCORP ENERGY COMPANY 4. COGCC Operator Number: 10133

5. Address: P O BOX 61229
City: HOUSTON State: TX Zip: 77208

6. Contact Name: JOHN MCKNIGHT Phone: (713)209-2494 Fax: (713)209-2478
Email: CHRIS@BANKO1.COM

7. Well Name: STATE OF COLORADO AB Well Number: 1

8. Unit Name (if appl): _____ Unit Number: _____

9. Proposed Total Measured Depth: 9808

WELL LOCATION INFORMATION

10. QtrQtr: NESE Sec: 16 Twp: 2S Rng: 66W Meridian: 6
Latitude: 39.876470 Longitude: -104.774140

Footage at Surface: 1980 feet FNL/FSL 660 feet FEL/FWL FEL

11. Field Name: HOLSTER Field Number: 36600

12. Ground Elevation: 5242 13. County: ADAMS

14. GPS Data:
Date of Measurement: 08/17/2006 PDOP Reading: 2.0 Instrument Operator's Name: L. Robbins

15. If well is Directional Horizontal (highly deviated) **submit deviated drilling plan.**
Footage at Top of Prod Zone: FNL/FSL _____ FEL/FWL _____ Bottom Hole: FNL/FSL _____ FEL/FWL _____
Sec: _____ Twp: _____ Rng: _____ Sec: _____ Twp: _____ Rng: _____

16. Is location in a high density area? (Rule 603b)? Yes No
17. Distance to the nearest building, public road, above ground utility or railroad: 660 ft
18. Distance to nearest property line: 660 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 5280 ft

LEASE, SPACING AND POOLING INFORMATION

| Objective Formation(s) | Formation Code | Spacing Order Number(s) | Unit Acreage Assigned to Well | Unit Configuration (N/2, SE/4, etc.) |
|------------------------|----------------|-------------------------|-------------------------------|--------------------------------------|
| NIOBRARA | NBRR | | 40 | NESE |

21. Mineral Ownership: Fee State Federal Indian Lease #: 70-8160
22. Surface Ownership: Fee State Federal Indian
23. Is the Surface Owner also the Mineral Owner? Yes No Surface Surety ID#: 20110175
23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? Yes No
23b. If 23 is No: Surface Owners Agreement Attached or \$25,000 Blanket Surface Bond \$2,000 Surface Bond \$5,000 Surface Bond

24. Using standard QtrQtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer):

S/2, NE/4 Sec. 16 T2S R66W

25. Distance to Nearest Mineral Lease Line: 660 ft 26. Total Acres in Lease: 480

DRILLING PLANS AND PROCEDURES

27. Is H2S anticipated? Yes No If Yes, attach contingency plan.

28. Will salt sections be encountered during drilling? Yes No

29. Will salt (>15,000 ppm TDS CL) or oil based muds be used during drilling? Yes No

30. If questions 28 or 29 are yes, is this location in a sensitive area (Rule 901.e)? Yes No

31. Mud disposal: Offsite Onsite

If 28, 29, or 30 are "Yes" a pit permit may be required.

Method: Land Farming Land Spreading Disposal Facility Other: No drilling will take place

Note: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b). If air/gas drilling, notify local fire officials.

| Casing Type | Size of Hole | Size of Casing | Wt/Ft | Csg/Liner Top | Setting Depth | Sacks Cmt | Cmt Btm | Cmt Top |
|-------------|--------------|----------------|------------|---------------|---------------|-----------|---------|---------|
| SURF | 12+1/4 | 8+5/8 | 24 | 0 | 352 | 375 | 352 | 0 |
| 1ST | 7+7/8 | 5+1/2 | 14 | 0 | 8,708 | 400 | 8,708 | 7,576 |
| | | | Stage Tool | | 1,856 | 300 | 1,848 | 1,150 |

32. BOP Equipment Type: Annular Preventer Double Ram Rotating Head None

33. Comments HILCORP AGREES TO ADD CEMENT IN THE LOWER AND UPPER ARAPAHOE FORMATION ZONES AS NEEDED PER DIRECTION OF MS. DIANA BURN. RECOMPLETION FORM 4 DOC# 1671223

34. Location ID: 319709

35. Is this application in a Comprehensive Drilling Plan ? Yes No

36. Is this application part of submitted Oil and Gas Location Assessment ? Yes No

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____ Print Name: CHRIS F. MCRICKARD

Title: PROJECT COORDINATOR Date: 10/21/2011 Email: CHRIS@BANKO1.COM

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: David S. Neslin Director of COGCC Date: 11/16/2011

| |
|-------------------|
| API NUMBER |
| 05 001 06455 00 |

Permit Number: _____ Expiration Date: 11/15/2013

CONDITIONS OF APPROVAL, IF ANY:

All representations, stipulations and conditions of approval stated in the Form 2A for this location shall constitute representations, stipulations and conditions of approval for this Form 2 Permit-to-Drill and are enforceable to the same extent as all other representations, stipulations and conditions of approval stated in this Permit-to-Drill.

Provide remedial cement from current TOC (~1140') 50' into surface shoe.

Attachment Check List

| | |
|-------------|--------------|
| Att Doc Num | Name |
| 2285269 | APD ORIGINAL |

Total Attach: 1 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|--|---------------------------|
| Permit | No LGD or public comment received; final review completed. | 11/16/2011 6:31:03 AM |
| Permit | Updated permit with lease and unit information. | 10/27/2011 10:23:32 AM |
| LGD | Due to the adjacent populated areas, the site will be fenced and locked to preclude all public access into this site. All facilities will be painted to earthtone colors. | 10/26/2011 1:24:15 PM |
| Permit | On hold waiting for lease description and a designated unit. | 10/26/2011 1:14:41 PM |
| Permit | Input the following information per email from operator. Plugging bond ID #? CO Blanket Plugging bond ID# 20050122 GPS data including date PDOP reading and Instr. Op's Name: ? 2 L. Robbins 8/17/06 Is this area high density? NO. Distance to the nearest building, public road, above ground utility, or railroad? 660' Distance to property line? 660' Distance to nearest well permitted/ completed in the same formation (BHL)? 5280' – nothing within a mile in the same BHL formation. Distance to nearest mineral lease line? 660' Mud disposal location (on or offsite) and method? No mud disposal planned as this is only a recompletion. No drilling will take place. Location ID #? 319709 | 10/26/2011 11:07:18 AM |
| Permit | Missing answers to questions #14, 16, 17, 18, 19, 30, 31. Operator is working on corrections 10/21/11. | 10/25/2011 8:42:14 AM |
| Data Entry | CHECK CASING STRING STAGE TOOL INFO FOR ACCURACY. | 10/24/2011 2:46:25 PM |

Total: 7 comment(s)

BMP

| <u>Type</u> | <u>Comment</u> |
|-------------|----------------|
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Total: 0 comment(s)